

STATE OF CALIFORNIA

Public Utilities Commission
San Francisco

M e m o r a n d u m

Date: May 17, 2006

To: The Commission
(Meeting of May 25, 2006)

From: Delaney Hunter, Director
Office of Governmental Affairs (OGA) — Sacramento

Subject: **AB 2617 (Saldana) – Solar training program**
As Amended April 17, 2006

LEGISLATIVE SUBCOMMITTEE RECOMMENDATION: Support with Technical Amendments.

SUMMARY OF BILL: This bill would require the California Energy Commission (CEC) to establish a program to train workers to manufacture and install solar energy systems.

SUMMARY OF SUPPORTING ARGUMENTS FOR RECOMMENDATION: AB 2617 furthers the Commission's goal to install 3,000 MW of solar projects before 2017 by developing a skilled California-based workforce to manufacture and install solar technologies.

However, the bill should specify that funding for this training effort will be allocated from the CEC's existing Renewable Resources Trust Fund, and not from the Commission's California Solar Initiative ("CSI") budget. The legality of transferring funds from the CSI budget to the CEC is doubtful.

SUMMARY OF SUGGESTED AMENDMENTS: The bill should amended to:

- Clarify the specific funding source for this training program. A previous version of the bill would have attempted to utilize monies from the Commission's California Solar Initiative to fund the CEC training program. Although this troublesome provision has been removed from the bill, the bill should be amended to make clear what the source of funding shall be.

- Correct Section 2 (a) to reflect that Decision 06-01-024 does not specifically adopt a solar installation target to serve 50% of new homes by 2020.

DIVISION ANALYSIS (Energy):

- The bill would complement the Commission's California Solar Initiative incentive program.
- The bill could improve the safety and reliability of new solar installations.
- The bill could reduce the length of time customers wait for system installation by increasing the number of qualified solar installers in California.

PROGRAM BACKGROUND:

- Assembly Bill 1890 created the Renewable Resource Trust Fund (RRTF) within the State Treasury to promote development of existing and emerging renewable technologies. The RRTF is funded by utility ratepayers through the Public Goods Charge (also created by AB 1890). Monies in the RRTF are periodically allocated by the Legislature to renewables programs administered by the California Energy Commission.
- Since 1998, the CEC has established various renewables efforts, including customer incentives and consumer education programs.

LEGISLATIVE HISTORY: Pending legislation (Senate Bill 1) would, among other things:

- Require new production homes to offer homebuyers the option of a solar energy system
- Require the CEC to develop an offset program to the builder or seller of the homes that install solar systems, which could include financial incentives.
- Require the CEC to publish educational materials designed to demonstrate how builders may incorporate solar energy systems during construction as well as energy efficiency measures that best complement solar energy systems.
- Provide assistance to builders and contractors, including technical workshops, training, educational materials, and related research.

Senate Bill 1 is not specific about the funding source for these activities.

FISCAL IMPACT ON CPUC: None.

STATUS: AB 2617 was dual referred to the Assembly Labor & Employment Committee and the Assembly U & C Committee. Assembly Labor & Employment has amended the

bill and referred it to Assembly U&C. A date has not yet been set for the bill to be heard in Assembly U & C.

SUPPORT/OPPOSITION:

Support: None on file.

Opposition: None on file.

STAFF CONTACTS:

Delaney Hunter
Director – Office of Governmental Affairs

dlh@cpuc.ca.gov
(916) 327-7788

Tom Flynn
Staff – Office of Governmental Affairs

trf@cpuc.ca.gov
(916) 324-8686

Sean Gallagher
Director - Energy Division

shg@cpuc.ca.gov
(415) 703-2059

Valerie Beck
Staff – Energy Division

vjb@cpuc.ca.gov
(415) 703-2125

BILL LANGUAGE:

BILL NUMBER: AB 2617 AMENDED
BILL TEXT

AMENDED IN ASSEMBLY APRIL 17, 2006

INTRODUCED BY Assembly Member Saldana

FEBRUARY 24, 2006

~~An act to amend Section 9618 of the Unemployment Insurance Code, relating to employment.~~ An act to add Section 25403.7 to the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2617, as amended, Saldana ~~Employment Development Department: solar~~ Solar training program.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to expand and accelerate development of alternative sources of energy, including solar resources. In a decision, the California Public Utilities Commission adopted the California Solar Initiative that is intended to facilitate the installation of solar energy systems in California.

This bill would require the Energy Commission to establish programs providing for solar energy worker training utilizing suitable third party training entities, as specified. The bill would provide that, notwithstanding any other provision of law, the training program save an eligible activity for funding under existing programs administered by the Energy Commission for education and outreach and technology development activities relating to the commission's solar energy programs.

~~Existing law establishes in state government the Employment Development Department, and requires the department to administer a solar training program, as specified, and to coordinate with the Division of Apprenticeship Standards and the State Contractors' License Board to ensure that solar energy product and service providers in California possess and maintain the necessary skills, training, and certification.~~

~~This bill would provide that, upon appropriation by the Legislature, the moneys in the Employment Training Fund or the moneys in a fund into which the revenues derived from the California Solar Initiative Program are deposited may be allocated to the Employment Development Department for purposes of funding the solar training program. This bill would also make nonsubstantive clarifying changes to the provisions specifying the elements of the solar training program, as provided.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. This act shall be known, and may be cited, as the Solar Training Act of 2006.

SEC. 2. The Legislature finds and declares all of the following:

(a) The California Solar Initiative, adopted by the California Public Utilities Commission in its Decision 06-01-024, is intended to facilitate the installation of solar energy systems with an electrical generation capacity equivalent to 3,000 megawatts and to ensure that a California-based solar industry is capable of providing solar energy systems as a viable mainstream option for both homes and businesses over the next 10 years with a target of serving 50 percent of new homes by 2020 with solar energy systems.

(b) In a global context, California is competing with other countries for solar energy system supplies and materials and manufacturing capacity to meet the solar energy needs of California.

(c) California is on the verge of establishing the most successful, vertically integrated solar energy industry in the nation as a result of its university and state-supported research and development programs, public and private engineering and design expertise, manufacturing capability, and its diversity of solar installation, operation, and maintenance companies.

(d) Private not for-profit training entities specializing in solar training and certification of qualified solar technicians exist in other parts of the country and in service to other countries around the world. However, there is no comprehensive solar industry training program in California.

(e) In order for California's solar energy industry to meet the ambitious goals set forth in the California Solar Initiative, to position itself as a major contributor in the global solar marketplace, and to grow into an important segment of the California economy, it is necessary to develop and implement a strategic plan for an adequately trained workforce in the manufacturing and installation segments of the solar energy industry, so as to ensure the rapid and orderly installation of high-quality solar energy systems throughout the state.

SEC. 3. Section 25403.7 is added to the Public Resources Code , to read:

25403.7. (a) In order to ensure that a growing pool of trained solar energy workers is available in California, the commission shall establish a program providing for solar energy worker training utilizing suitable third party training entities. The program shall consider all of the following:

(1) In consultation with the Public Utilities Commission and other relevant state agencies, the commission shall work with the California solar energy industry to identify training needs for each segment of the solar energy industry and each solar technology supported by the California Solar Initiative, adopted by the California Public Utilities Commission in its Decision 06-01-024.

(2) The commission shall develop and implement training programs as are necessary to ensure appropriate growth in the solar energy industry workforce commensurate with the goals of the initiative.

(3) The commission may enter into strategic alliances with the

solar energy industry or segments of the industry to implement appropriate solar energy training programs.

(4)The commission may support, through the use of grants or other financial mechanisms, solar industry-based training programs in areas of California where the greatest need for solar energy-related workers exist.

(5) The commission may establish minimum guidelines for third party entities providing necessary solar energy worker training programs.

(b) Notwithstanding any other provision of law, the training program described in subdivision (a) are an eligible activity for funding under existing programs administered by the commission for education and outreach and technology development activities relating to the commission's solar energy programs.

~~SECTION 1. Section 9618 of the Unemployment Insurance Code is amended to read:~~

~~9618. (a) The department shall administer a solar training program. The department shall coordinate with the Division of Apprenticeship Standards and the State Contractors' License Board to ensure solar energy product and service providers in California possess and maintain the necessary skills, training, and certification.~~

~~(b) Elements of the training program shall include, but need not be limited to, all of the following:~~

~~(1) The science of photovoltaics and small scale solar thermal technologies.~~

~~(2) The design of solar systems.~~

~~(3) The installation of solar systems.~~

~~(4) Permitting of solar systems.~~

~~(5) Safety of solar systems.~~

~~(6) System and component certification.~~

~~(7) State and federal incentive programs.~~

~~(c) Upon appropriation by the Legislature, the moneys in the Employment Training Fund or the moneys in a fund into which the revenues derived from the California Solar Initiative Program, administered by the Public Utilities Commission, are deposited may be allocated to the department for purposes of funding the solar training program.~~